

to be just and reasonable if such amount does not exceed the fair and equitable price established under such section and applicable to such sale.

(C) Sales by intrastate pipelines

For purposes of sections 4 and 5 of the Natural Gas Act [15 U.S.C. 717c, 717d] any amount paid in any sale authorized by the Commission under section 3371(b) of this title shall be deemed to be just and reasonable if such amount does not exceed the fair and equitable price established by the Commission and applicable to such sale.

(D) Assignments

For purposes of sections 4 and 5 of the Natural Gas Act [15 U.S.C. 717c, 717d], any amount paid pursuant to the terms of any contract with respect to that portion of which the Commission has authorized an assignment authorized under section 3372(a) of this title shall be deemed to be just and reasonable.

(E) Affiliated entities limitation

For purposes of paragraph (1), in the case of any first sale between any interstate pipeline and any affiliate of such pipeline, any amount paid in any first sale shall be deemed to be just and reasonable if, in addition to satisfying the requirements of such paragraph, such amount does not exceed the amount paid in comparable first sales between persons not affiliated with such interstate pipeline.

(2) Other charges

(A) Allocation

For purposes of sections 4 and 5 of the Natural Gas Act [15 U.S.C. 717c, 717d], any amount paid by any interstate pipeline for transportation, storage, delivery or other services provided pursuant to any order under section 3363(b), (c), or (d) of this title shall be deemed to be just and reasonable if such amount is prescribed by the President under section 3363(h)(1) of this title.

(B) Transportation

For purposes of sections 4 and 5 of the Natural Gas Act [15 U.S.C. 717c, 717d], any amount paid by any interstate pipeline for any transportation authorized by the Commission under section 3371(a) of this title shall be deemed to be just and reasonable if such amount does not exceed that approved by the Commission under such section.

(c) Guaranteed passthrough

(1) Certificate may not be denied based upon price

The Commission may not deny, or condition the grant of, any certificate under section 7 of the Natural Gas Act [15 U.S.C. 717f] based upon the amount paid in any sale of natural gas, if such amount is deemed to be just and reasonable under subsection (b) of this section.

(2) Recovery of just and reasonable prices paid

For purposes of sections 4 and 5 of the Natural Gas Act [15 U.S.C. 717c, 717d], the Commission may not deny any interstate pipeline

recovery of any amount paid with respect to any purchase of natural gas if, under subsection (b) of this section, such amount is deemed to be just and reasonable for purposes of sections 4 and 5 of such Act, except to the extent the Commission determines that the amount paid was excessive due to fraud, abuse, or similar grounds.

(Pub. L. 95-621, title VI, § 601, Nov. 9, 1978, 92 Stat. 3409; Pub. L. 101-60, § 3(a)(7), (b)(7), July 26, 1989, 103 Stat. 158, 159.)

REFERENCES IN TEXT

The Natural Gas Act, referred to in subsec. (a)(1), (2)(A), (B), is act June 21, 1938, ch. 556, 52 Stat. 821, as amended, which is classified generally to chapter 15B (§ 717 et seq.) of this title. For complete classification of this act to the Code, see section 717w of this title and Tables.

AMENDMENTS

1989—Subsec. (a)(1)(A). Pub. L. 101-60, § 3(b)(7)(A), in heading substituted “Application to first sales” for “Natural gas not committed or dedicated” and amended text generally. Prior to amendment, text read as follows: “For purposes of section 1(b) of the Natural Gas Act, effective on the first day of the first month beginning after November 9, 1978, the provisions of the Natural Gas Act and the jurisdiction of the Commission under such Act shall not apply to natural gas which was not committed or dedicated to interstate commerce as of November 8, 1978, solely by reason of any first sale of such natural gas.”

Subsec. (a)(1)(B). Pub. L. 101-60, § 3(b)(7)(B), (C), redesignated subpar. (C) as (B) and struck out former subpar. (B) which related to committed or dedicated natural gas which was high-cost natural gas, new natural gas, or natural gas produced from any new, onshore production well.

Subsec. (a)(1)(C). Pub. L. 101-60, § 3(b)(7)(C), (D), redesignated subpar. (D) as (C) and substituted “subparagraph (A) or (B)” for “subparagraph (A), (B), or (C)”. Former subpar. (C) redesignated (B).

Subsec. (a)(1)(D). Pub. L. 101-60, § 3(b)(7)(C), redesignated subpar. (D) as (C).

Subsec. (a)(1)(E). Pub. L. 101-60, § 3(b)(7)(B), struck out subpar. (E), “Certain additional natural gas”, which read as follows: “For purposes of section 1(b) of the Natural Gas Act, the provisions of the Natural Gas Act and the jurisdiction of the Commission under such Act shall not apply solely by reason of any first sale of natural gas which is committed or dedicated to interstate commerce as of July 25, 1989, and which is not subject to a maximum lawful price under part A of subchapter I of this chapter by reason of section 3331(f) of this title, effective as of the date such gas ceases to be subject to such maximum lawful price.”

Pub. L. 101-60, § 3(a)(7)(A), substituted “Certain additional natural gas” for “Alaskan natural gas” in heading and amended text generally. Prior to amendment, text read as follows: “Subparagraph (B)(ii) and (iii) shall not apply with respect to natural gas produced from the Prudhoe Bay unit of Alaska and transported through the transportation system approved under the Alaska Natural Gas Transportation Act of 1976.”

Subsec. (b)(1)(A). Pub. L. 101-60, § 3(b)(7)(E), amended subpar. (A) generally. Prior to amendment, subpar. (A) read as follows: “Subject to paragraph (4), for purposes of sections 4 and 5 of the Natural Gas Act, any amount paid in any first sale of natural gas shall be deemed to be just and reasonable if—

“(i) such amount does not exceed the applicable maximum lawful price established under subchapter I of this chapter; or

“(ii) there is no applicable maximum lawful price solely by reason of the elimination of price controls pursuant to part B of subchapter I of this chapter.”